GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:5703
ANSWERED ON:02.05.2002
DIVERSION OF FUNDS
DINESH CHANDRA YADAV;NARESH KUMAR PUGLIA;RAM JEEVAN SINGH;YEMPARALA VENKATESWARA RAO

Will the Minister of DEFENCE be pleased to state:

(a) whether attention of the Government has been drawn to a news-item captioned, `5 cr for jawans goes to school for bigshots`, appearing in the `Indian Express` dated March 31, 2002;`

(b) if so, the facts thereof;

(c) the persons held responsible for this diversion of funds meant for welfare of jawans; and

(d) the action taken against them?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 5703 2.5.2002

The Government is aware about the newspaper report captioned `5 cr for jawans goes to school for bigshots` published in the Indian Express dated March 31, 2002. The allegation made in the newspaper report is, however, not based on facts.

An amount of Rs. 5 crore was allocated to the `Civil Services Society`, which stands registered with the Registrar of Societies, Delhi, as Grants-in-Aid in March 1996 from the trade surplus of the Canteen Stores Department for part financing the establishment of a school for the children of officials of the Armed Forces, All India and Central Services, Public Sector Undertakings and the general public. Out of the net annual profits generated by the Canteen Stores Department, 50% of the funds are deposited in the Consolidated Fund of India and the remaining 50% is distributed as Grants-in-Aid to the Armed Forces, Inter Service Organizations and various establishments of the Ministry of Defence including civilian organisations as welfare measure.

As far as the grants allocated to the Civil Services Society in 1996 is concerned, the same was approved, by the Competent Authority, after due scrutiny of the project report and securing an undertaking that the school shall reserve 25% of the seats for the children of the personnel of the Armed Forces or other entitled categories. The school is functioning and as such the question of taking action against any person does not arise.